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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

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**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/08 AND ENDING 12/31/08  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: MANNA Financial Services Corp.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

7630 Little River Turnpike, Suite 200

Annandale

VA

22003

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Richard Smith

(703) 914-9555

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Kirwan & Co., P.C.

(Name - if individual, state last, first, middle name)

118 N. Edgewood Street

Arlington, VA 22201

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

☒ Certified Public Accountant

☐ Public Accountant

☐ Accountant not resident in United States or any of its possessions.

**FOR OFFICIAL USE ONLY**

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

## OATH OR AFFIRMATION

I, Richard E. Smith, President, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of MANNA Financial Services Corp., as of December 31, 2008, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

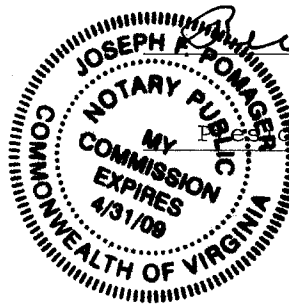
\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Signature

Title



Notary Public

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☒ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☒ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☒ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

**MANNA FINANCIAL SERVICE CORPORATION**

**FINANCIAL REPORT**

**DECEMBER 31, 2008**

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**KIRWAN AND CO., P. C.**

*A Professional Corporation*  
**Certified Public Accountants**  
118 N. Edgewood Street  
Arlington, Virginia 22201  
(703) 312-0221

Independent Auditors' Report

Board of Directors  
Manna Financial Services Corporation

We have audited the accompanying balance sheets of Manna Financial Service Corporation, a District of Columbia corporation, as of December 31, 2008 and 2007, and the related statements of income, stockholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Manna Financial Services Corporation, as of December 31, 2008 and 2007, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedule I is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 and under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Kirwan and Co., P.C.*

Falls Church, Virginia  
February 23, 2009

*Members*  
*American Institute of Certified Public Accountants*  
*Virginia Society of Certified Public Accountants*  
*CPA Affiliates of Virginia, Ltd.*

Manna Financial Services Corporation  
BALANCE SHEETS  
December 31, 2008 and 2007

ASSETS

	<u>2008</u>	<u>2007</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 72,028	\$ 131,243
Temporary marketable securities	50,385	55,766
Accounts Receivable		
Commissions	2,955	12,315
Other	4,834	4,834
Prepaid Expenses	<u>3,252</u>	<u>3,252</u>
Total Current Assets	<u>133,454</u>	<u>207,410</u>
INVESTMENTS		
NASDAQ Stock at Market (Note 6)	<u>98,760</u>	<u>197,960</u>
FIXED ASSETS		
Furniture and Fixtures	85,137	85,137
Less Accumulated Depreciation	<u>85,137</u>	<u>85,137</u>
	<u>---</u>	<u>---</u>
	<u>\$ 232,214</u>	<u>\$405,370</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Accounts Payable	\$ 5,000	\$ 1,764
Commissions Payable	<u>10,159</u>	<u>10,044</u>
Total Current Liabilities	<u>15,159</u>	<u>11,808</u>
COMMITMENTS (NOTE 4)	<u>---</u>	<u>---</u>

STOCKHOLDERS' EQUITY

Common Stock, \$2 par value, authorized 25,000 shares: issued and outstanding 13,443 shares	26,887	26,887
Additional paid-in capital	106,871	106,871
Retained Earnings	<u>83,297</u>	<u>259,804</u>
	<u>217,055</u>	<u>393,562</u>
	<u>\$ 232,214</u>	<u>\$ 405,370</u>

See accompanying notes to financial statements.

Manna Financial Services Corporation  
STATEMENTS OF INCOME  
Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
INCOME		
Dealer Concessions Received - Security Transactions	\$ 121,307	\$ 131,422
Commissions Received - Mutual Funds and Tax Advantaged Investments	114,230	148,130
Interest	4,758	7,729
Annuity Commissions	93,245	601
Advisory Fees and Other	<u>76,538</u>	<u>150,625</u>
	410,078	438,507
Less: Direct Expenses – Commissions	<u>209,275</u>	<u>198,292</u>
GROSS PROFIT	<u>200,803</u>	<u>240,215</u>
OPERATING EXPENSES		
Advertising	8,445	9,114
Professional	10,200	7,600
Computer and Copier	4,123	9,554
Exchange and Regulatory Fees and Charges	775	500
Federal and State Licenses and Fees	6,523	6,485
Insurance	19,702	19,456
Unrealized Gain/Loss on Investment	99,200	(74,800)
Miscellaneous	2,565	2,556
Taxes	17,423	18,995
Delivery	774	1,018
Printing, Stationery and Office	1,874	2,382
Publications and Subscriptions	1,850	3,373
Quotation and Wire Service	13,834	12,150
Rent	61,238	49,089
Salaries	110,102	110,347
Telephone	7,518	6,545
Sar/sep	<u>11,164</u>	<u>11,164</u>
	<u>377,310</u>	<u>195,528</u>
NET INCOME (LOSS) BEFORE INCOME TAXES	(176,507)	44,687
INCOME TAXES (EXPENSE) BENEFIT	---	---
NET INCOME (LOSS)	\$( <u>176,507</u> )	\$ <u>44,687</u>

See accompanying notes to financial statements.

Manna Financial Services Corporation  
 STATEMENTS OF STOCKHOLDER'S EQUITY  
 Years Ended December 31, 2008 and 2007

	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance, December 31, 2006	\$26,887	\$106,871	\$ 215,117	\$ 348,875
Net Income	<u>---</u>	<u>---</u>	<u>44,687</u>	<u>44,687</u>
Balance, December 31, 2007	\$26,887	\$106,871	\$ 259,804	\$393,562
Net Loss	<u>---</u>	<u>---</u>	<u>(176,507)</u>	<u>(176,507)</u>
Balance, December 31, 2008	<u>\$26,887</u>	<u>\$106,871</u>	\$ <u>83,297</u>	<u>\$217,055</u>

See accompanying notes to financial statements.



Manna Financial Services Corporation  
STATEMENTS OF CASH FLOWS  
Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
NET (INCOME) LOSS	\$ (176,507)	\$ 44,687
Adjustment to reconcile net income (loss) to net cash used in operating activities		
Unrealized Gain/Loss on Investments	99,200	(74,800)
Changes in:		
Accounts receivable – Commissions	9,360	6,058
Accounts receivable - Other	---	---
Trade accounts payable	3,236	1,502
Commissions payable	<u>115</u>	<u>(2,521)</u>
Net cash used in operating activities	( 64,596)	(25,074)
Cash flows from investing activities:		
Temporary marketable securities invested in	<u>5,381</u>	<u>( 2,007)</u>
Net cash provided by (used in) investing activities	<u>5,381</u>	<u>( 2,007)</u>
Net increase (decrease) in cash	( 59,215)	(27,081)
Cash, beginning	<u>131,243</u>	<u>158,324</u>
Cash, ending	\$ <u>72,028</u>	\$ <u>131,243</u>

Interest paid in 2008 was \$0.00 and \$0.00 in 2007. Income taxes paid in 2008 were \$0.00 and \$0.00 in 2007.

See accompanying notes to financial statements.

Manna Financial Services Corporation  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2008

1. SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Manna operates as a fully disclosed broker. It does not clear any transactions or carry customer accounts. Its primary sources of income are commissions received from transactions made through other dealer and fees collected as consultants and advisory under the Registered Investment Advisory Act. Manna is a wholly owned subsidiary of Manna Equities, Inc. There are no significant related company transactions. Manna is a member of the National Association of Security Dealers. Quarterly and annual fees are paid to maintain this memberships.

Basis of Accounting

The financial statements are prepared on the accrual basis. The principal source of income is from commissions on security transactions. Income is earned when the trade has been consummated. Related commissions paid to register representatives are recorded as an expense against the income. Other costs of operations are expensed in the month to which the costs are incurred.

Property and Equipment

Furniture and fixtures are stated at cost less accumulated depreciation. Depreciation is computed using various methods over estimated useful lives of five to seven years. Depreciation expense is \$0 for 2008 and \$0 for 2007.

Marketable Securities

Securities that the company has the positive intent and ability to hold to maturity are classified as held-to-maturity securities and recorded at amortized cost in investments.

Income Taxes

Manna files a consolidated tax return with the parent company. Taxes are computed on an individual company basis and payments consolidated when filed with the appropriate tax authorities.

Policy of Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposits and all highly liquid debt instruments with maturities of less than three months.

Manna Financial Services Corporation  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
December 31, 2008

1. SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Comprehensive Income

There were no items of other comprehensive income in 2008 and 2007, and thus, net income is equal to comprehensive income for each of those years.

2. INSURANCE PROTECTION

Manna is a member of the Securities Insurance Protection Corporation, which insures against losses to the general public arising out of security dealers failing. For the years ended December 31, 2008 and 2007, Manna paid membership fees of \$1,000 respectively.

3. CONCENTRATION OF CREDIT RISK

The company maintains its cash at one bank. The Federal Deposit Insurance Corporation insures accounts up to \$100,000.

4. COMMITMENTS

The Company leases office space in Fairfax, Virginia on a ten year operating lease terminating February 28, 2009. The company's rent expense was \$61,238 in 2008 and \$49,029 in 2007.

Minimum future rental payments under the non-cancelable operating lease having a remaining term for the next year and in the aggregate are:

<u>Year ended</u> <u>December 31,</u>	<u>Amount</u>
2008	\$ <u>13,400</u>
Total minimum future rental payments	\$ <u>13,400</u>

Manna Financial Services Corporation  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
December 31, 2008

5. INCOME TAXES

Components of the Company's income tax expense (benefit) are as follows:

	<u>2008</u>	<u>2007</u>
Current	\$ <u>---</u>	\$ <u>---</u>

The Company has adopted Statement of financial Accounting Standards No. 109 ("SFAS 109"), "Accounting for Income Taxes." Under SFAS 109, the Company uses the asset and liability method which recognizes the amount of current or refundable at the date of the financial statements as a result of all events that have been recognized in the financial statements and as measured by the provisions of the enacted tax laws.

The Company has available at December 31, 2008, unused operating loss carry forward, which may provide tax benefits, expiring as follows:

<u>Year of expiration</u>	<u>Unused operating loss carry forward</u>
2022	\$ 36,395
2023	58,396
2024	27,115
2025	44,761
2026	30,182
2027	30,713
2028	<u>77,307</u>
	\$ <u>304,869</u>

6. MARKETING SECURITIES

Investments in securities are summarized as follows at December 31, 2008 and 2007:

	<u>2008</u>	
	<u>Cost</u>	<u>Gross Unrealized Gain/Loss</u>
Held to maturity		<u>Fair Value</u>
Securities:		
NASDAQ	\$ <u>52,000</u>	\$ <u>(99,200)</u>
		\$ <u>98,760</u>
		<u>2007</u>
NASDAQ	\$ <u>52,000</u>	\$ <u>74,800</u>
		\$ <u>197,160</u>

7. SAR/SEP

All employees are eligible to participate in the Company SAR SEP program. Contribution costs incurred by the Company were \$11,164 for the year ended December 31, 2008 and \$11,164 for the year ended December 31, 2007.

Manna Financial Services Corporation  
Net Capital and Cash Reserve Requirement  
Schedule 1  
December 31, 2008 and 2007

The Company files an annual 17A-5 Focus Report with the regulatory agencies. The net capital stated in that report for 2008 agrees with the supplemental reconciliation furnished with this report.

	<u>2008</u>	<u>2007</u>
Net capital per annual 17A-5 Focus Report	\$ 179,404	\$ 328,355
Net decrease in capital as booked	---	---
Net decrease in non-allowable assets	---	---
Net decrease in haircuts	---	---
Net capital per supplemental reconciliation	<u>\$ 179,404</u>	<u>\$ 328,355</u>

The Company is on a fully disclosed basis; therefore, no cash reserve requirements are needed to be met as required by Rule 17a-5 (D)(4) of the Securities and Exchange Commission.

See Accountant's Report

Manna Financial Services Corporation  
 COMPUTATION OF CAPITAL UNDER RULE 17a-5 OF THE SECURITIES  
 AND EXCHANGE COMMISSION  
 Schedule 2  
 December 31, 2008 and 2007

AGGREGATE INDEBTEDNESS

	<u>2008</u>	<u>2007</u>
Trade Accounts Payable	\$ 5,000	\$ 1,764
Commissions Payable	<u>10,159</u>	<u>10,044</u>
	<u>\$ 15,159</u>	<u>\$ 11,808</u>

NET CAPITAL

Stockholder's Equity per Financial Statement	\$ <u>217,055</u>	\$ <u>393,562</u>
Less: Fixed Assets (Net)	---	---
Prepaid Expenses	---	---
Accounts Receivable-Other	4,834	4,834
Other non-qualifying assets	5,285	5,617
Haircut's on securities and money market funds	<u>27,532</u>	<u>54,756</u>
	<u>37,651</u>	<u>65,207</u>
	<u>\$ 179,404</u>	<u>\$ 328,355</u>

Ratio: Aggregate Indebtedness to Net Capital	.084 to 1	.036 to 1
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See Accountant's Report.

Manna Financial Services Corporation  
Statement of Exemption from the Computation of  
Reserve Requirements and Information for Possession of  
Control Requirements under Rule 15c3-3  
December 31, 2008

In accordance with the exemptive provisions of SEC Rule 15c3-3, specifically exemption k(2)(i) and k(2)(ii), Manna Financial Services Corporation is exempt from the computation of a reserve requirement and the information relating to the possession or control requirement.

**KIRWAN AND CO., P. C.**

*A Professional Corporation*  
**Certified Public Accountants**  
118 N. Edgewood Street  
Arlington, Virginia 22201  
(703) 312-0221

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE  
REQUIRED BY SEC RULE 17a-5 (g)(1)**

Board of Directors  
Manna Financial Services Corporation

In planning and performing our audit of the financial statements of Manna Financial Services Corporation as of and for the year ended December 31, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting as a basis for designing our auditing procedures, for the purpose of expressing our opinion, for designing our auditing procedures, for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission, we have made a study of the practices and procedures followed by Manna Financial Services Corporation including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g), in making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a)(11) for determining compliance with the exemptive provisions of rule 15c3-3. Because Manna Financial Services Corporation does not carry securities accounts for customers or perform custodial functions relating to customer securities we did not review the practices and procedures followed by Manna in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons
2. Recordation of differences required by rule 17a-13
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining an internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of an internal control structure and the practices and procedures are to provide management with reasonable, but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) list additional objectives of the practices and procedures listed in the preceding paragraph.

*Members*  
**American Institute of Certified Public Accountants**  
**Virginia Society of Certified Public Accountants**  
**CPA Affiliates of Virginia, Ltd.**



Because of inherent limitations in any internal control and the practices and procedures referred to above, errors or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A *control deficiency* exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2008 to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

*Kirwan & Co., PC*

Falls Church, Virginia  
February 23, 2009

**DESIGNATION OF ACCOUNTANT**  
**(Notice Pursuant to Rule 17a-5(f)(2))**

(i) Broker or Dealer

Name: MANNA FINANCIAL SERVICES CORP.

Address: 7630 Little River Tpke., Suite 115  
 Annandale, VA 22003

Telephone: (703) 914-9555

SEC Registration Number: 8-10342

FINRA Registration Number: BD # 00552

(ii) Accounting Firm

Name: KIRWAN & Co., P.C.

Address: 118 N. Edgewood Street  
 Arlington, VA 22201

Telephone: (703) 312-0221

Accountant's State Registration Number: 51874 7177

(iii) Audit date covered by the Agreement:

(Month)	(Day)	(Year)
12	31	2008

(iv) The contractual commitment to conduct the broker's or dealer's annual audit - - (check one)

( ) is for the annual audit only for the fiscal year ending 2\_\_\_\_\*

(x) is of a continuing nature providing for successive annual audits.

\* if this commitment is not of a continuing nature, it will be necessary to file this form each successive year.

Pursuant to Rule 17a-5(f)(2), the above person has been designated as the independent public accountant for the above-mentioned broker or dealer. I understand that, pursuant to SEC Rule 17a-5(f)(1) the Securities and Exchange Commission will not recognize: (a) any person as a certified public accountant who is not duly registered in good standing as such under the laws of his place of residence or principal office; or (b) any person as a public accountant who is not in good standing and entitled to practice as such under the laws of his place of residence or principal office. Lastly, I understand that should the above-mentioned broker-dealer submit an audit by someone not recognized by the SEC as set forth in Rule 17a-5(f)(1), FINRA may deem the audit of the broker-dealer to not have been filed.

Signature: Richard E. Smith

Name: RICHARD E. SMITH

(By Firm's FINOP or President)

Title: PRESIDENT Date: 2/25/09